THE UNIVERSITY OF WINNIPEG

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

THE UNIVERSITY OF WINNIPEG

WINNIPEG, MANITOBA, CANADA

THE UNIVERSITY OF WINNIPEG

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2008

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THE UNIVERSITY OF WINNIPEG

The University of Winnipeg
Report on the Consolidated Financial Statements
Report of the Vice-President Finance & Administration

The University of Winnipeg's consolidated financial statements contain the financial results of the University of Winnipeg's operations and the operations of the University of Winnipeg Educational Housing Corporation. The financial results of the University of Winnipeg Foundation and the University of Winnipeg Community Renewal Corporation are included by means of a note to the consolidated financial statements for purposes of disclosure.

The University's operations include the University undergraduate and graduate credit programs, Continuing Education Division, the Collegiate, Campus Services, Academic Enterprises, sponsored research & designated funds, and trust funds.

The University has completed a productive year of operations with continuing progress on several major capital projects and the introduction of new academic programs.

While enrollment remained strong, total enrollment dropped slightly for the first time in recent years. This unexpected flattening of revenues, combined with increased costs for facilities and salaries has given rise to a deficit in the year.

Capital expansion continued with the completion in the year of the Portage Commons project and the new Duckworth fitness centre. Other projects including the CanWest Center for Theatre and Film and Wesley Hall renovation made significant progress in the year, and work was done to set the stage for development to begin at the Richardson College for the Environment and United Army Surplus sites in the coming year.

These projects have been funded through grants provided by the Provincial Government and private donations, as well as by limited financing with dedicated future revenue streams.

The year saw the introduction of a new Faculty of Business and Economics, additional Graduate Studies programs and the formalization of the Opportunity Fund in response to the recommendations of the Access taskforce.

The capital and programming initiatives underway are laying the foundation for a bright future at the University.

The deficit this year reduces the net assets of the University to $15,294,000. Total assets have increased to $99,556,000, primarily as a result of increased investments in facilities. Total liabilities have increased to $84,262,000, primarily as a result of the Deferred Contributions and loans related to those same capital projects. Total revenues for the year increased 4.2%, primarily as a result of increased operating grants. Student enrollment decreased slightly in the year, but revenue from student academic fees remained basically consistent with the previous year as a result of the change in foreign student fee amounts. Total expenses in the year increased 5.75% primarily as a result of salary and facility related costs, resulting in a deficit of $1,465,000 for the year.

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Unrestricted Net Assets decreased to $332,000 as a result of the deficit and capital investments made in the year, including the completion of the Student Information System (SIS), which moved funds from Unrestricted Net Assets to Investment in Capital Assets. Internally Restricted Net Assets decreased to $751,000 primarily as a result of investment in certain strategic initiatives, again including the completion of SIS. The changes within the Net Assets listed in Statement III include:

1. Internally funded transfers in respect to net capital asset additions of $1,926,000 amortization of $1,107,000 and repayment of Long Term Debt of $129,000;
2. The expenditure of $463,000 from strategic provisions in the year;
3. The expenditure of internally restricted net assets of $181,000.

Discussions between the University, The University of Winnipeg Pension Plan Stakeholders and the Provincial Government have continued in 2007-08 resulting in the University being granted a permanent exemption from the requirement to make solvency deficiency payments related to the Defined Benefit Pension Plan. In addition, the University and all Plan Stakeholders also agreed to transition the Pension Plan to a Joint Trusteed Plan to take effect in July 2008.

The operating results in fiscal 2007-2008 reflect the changing environment the University now faces. Changing student demographics present both a challenge and opportunity to the University. While the number of individuals in the demographic who traditionally attend University is decreasing; there are opportunities to tap new demographics and broaden the representation of these traditionally underrepresented groups on our campus, in accordance with the University's Strategic Plan.

Bill Balan
Acting Vice-President (Finance & Administration)
The University of Winnipeg

June 16, 2008

THE UNIVERSITY OF WINNIPEG

UNIVERSITY OF WINNIPEG

MANAGEMENT REPORT

The accompanying consolidated financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. These accounting principles have been applied on a basis consistent with the prior year. In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to ensure the assets of the University are properly safeguarded.

The Board of Regents has reviewed and approved these consolidated financial statements.

On Behalf of Management

Bill Balan
Acting Vice-President (Finance & Administration)

Michael Emslie, CA
Acting Executive Director, Financial Services

Winnipeg, Manitoba
June 16, 2008

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OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Board of Regents of the University of Winnipeg

We have audited the consolidated statement of financial position of the University of Winnipeg as at March 31, 2008, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
June 6, 2008

Carol Bellringer, FCA, MBA
Auditor General

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
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THE UNIVERSITY OF WINNIPEG **Statement I**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at March 31, 2008
(with comparative figures for 2007)

ASSETS

	2008 $000	2007 $000
Current Assets:		
Cash and Cash Equivalents (Note 4)	$12,791	$18,777
Accounts Receivable	6,638	3,531
Due from Related Parties (Note 20)	135	1,223
Prepaid Expenses	959	748
Inventory	1,057	1,193
	21,580	25,472
Long Term Investments (Note 5)	1,566	1,566
Capital Assets (Note 6)	76,410	56,400
	$99,556	$83,438

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable and Accrued Liabilities	$8,470	$5,808
Deferred Revenue	2,297	2,634
Deferred Contributions (Note 7)	5,350	5,702
Staff Benefits (Note 8)	1,496	1,382
Current Portion of Long Term Debt (Note 10, 11)	1,271	916
Due to Related Party (Note 20)	301	179
	19,185	16,621
Obligations under Capital Leases (Note 10)	386	423
Long Term Liabilities (Note 11)	4,643	1,414
Deferred Capital Contributions (Note 12)	60,048	48,221
Net Assets:		
Unrestricted Net Assets	332	2,101
Internally Restricted Net Assets (Note 13)	751	1,395
Endowments (Note 14)	2,684	2,684
Investment in Capital Assets	11,527	10,579
	15,294	16,759
	$99,556	$83,438

Special Purpose and Trust Assets (Notes 4, 14)
Commitments (Notes 16, 17, 18, 23)
Contingencies (Note 19)

Approved by the Board of Regents

Chair, Board of Regents

President & Vice Chancellor

See accompanying notes to the consolidated financial statements.

THE UNIVERSITY OF WINNIPEG **Statement II**
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2008
(with comparative figures for 2007)

	2008 $000	2007 $000
REVENUE		
Government Grants:		
Council on Post Secondary Education	$42,706	$40,448
Other Province of Manitoba	1,906	1,662
Government of Canada	2,775	2,708
Student Academic Fees	28,184	28,335
Gifts, Grants and Bequests	1,898	1,257
Investment Income	1,611	1,684
Sales of Services and Products	4,641	4,626
Other Revenues	5,811	5,178
Amortization of Deferred Capital Contributions (Note 12)	1,695	1,668
	91,227	87,566
EXPENSES		
Salaries	53,739	50,095
Staff Benefits	7,315	6,908
Supplies, Services and Other Expenses	13,696	13,881
Cost of Sales	3,057	3,049
Building, Utility and Related Expenses	7,127	6,376
Provincial and Municipal Taxes	1,151	1,099
Scholarships and Awards	2,670	2,601
Gifts to Related Parties (Note 20)	1,004	818
Amortization of Capital Assets	2,933	2,822
	92,692	87,649
DEFICIENCY OF REVENUE OVER EXPENSES	($1,465)	($83)

See accompanying notes to the consolidated financial statements.

THE UNIVERSITY OF WINNIPEG **Statement III**
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2008
(with comparative figures for 2007)

	2008					2007
	UNRESTRICTED NET ASSETS $000	INTERNALLY RESTRICTED NET ASSETS (Note 13) $000	ENDOWMENTS (Note 14) $000	INVESTMENT IN CAPITAL ASSETS $000	TOTAL $000	TOTAL $000
BALANCE, BEGINNING OF YEAR	$2,101	$1,395	$2,684	$10,579	$16,759	$16,620
Deficiency of Revenue Over Expenses	(1,465)				(1,465)	(83)
Direct Increases (Decreases):						
Endowment Contributions					0	222
Transfers:						
Internally Funded:						
Capital Asset Additions	(1,930)			1,930	0	0
Amortization of Capital Assets	1,107			(1,107)	0	0
Loss on Disposal of Capital Assets	4			(4)	0	0
Repayment of Long Term Debt	(129)			129	0	0
Internally Restricted Net Assets	181	(181)			0	0
Strategic Provisions – Reductions (Note 13)	463	(463)			0	0
NET CHANGE FOR THE YEAR	(1,769)	(644)	0	948	(1,465)	139
BALANCE, END OF YEAR	$ 332	$ 751	$2,684	$11,527	$15,294	$16,759

See accompanying notes to the consolidated financial statements.

THE UNIVERSITY OF WINNIPEG **Statement IV**
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2008
(with comparative figures for 2007)

	2008 $000	2007 $000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from:		
Government Grants	$44,987	$45,352
Student Academic Fees	28,024	27,823
Gifts, Grants and Bequests	1,080	2,109
Investment Income	1,745	1,676
Sales of Services and Products	4,705	4,575
Other Revenues	5,878	5,594
Cash Paid for:		
Salaries and Benefits	(59,776)	(56,934)
Supplies, Services and Other Expenses	(14,010)	(13,803)
Cost of Sales	(3,025)	(2,938)
Building, Utility and Related Expenses	(6,442)	(6,610)
Provincial and Municipal Taxes	(1,151)	(1,099)
Scholarships and Awards	(2,658)	(2,610)
Gifts to Related Parties	(833)	(995)
	(1,476)	2,140
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Purchase of Capital Assets	(22,624)	(4,581)
	(22,624)	(4,581)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash Contributions Received for Endowment	0	222
Long Term Debt Repayments on Mortgages	(843)	(234)
Long Term Debt – Building Purchase	4,400	0
Cash Received for Deferred Capital Contributions	14,557	8,125
	18,114	8,113
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,986)	5,672
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,777	13,105
CASH AND CASH EQUIVALENTS, END OF YEAR	$12,791	$18,777
Cash and Cash Equivalents Consists of:		
Cash in Bank	6,160	2,721
Short Term Investments	6,631	16,056
	$12,791	$18,777

Excluded from Investing and Financing Activities are assets acquired under Capital Leases and the related obligations under Capital Leases totalling $114 (2007 - $605).

See accompanying notes to the consolidated financial statements.

1. Authority and Purpose

The University of Winnipeg (the University) operates under the authority of the University of Winnipeg Act of the Province of Manitoba. The primary role of the University is to provide post secondary education and research in Arts, Sciences and Education. The University also operates the Collegiate, an independent high school and a number of other education related activities. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

A) Contributions

The University has chosen to use the deferral method of accounting for contributions. Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Restricted contributions are stipulations imposed that specify how resources must be used. External restrictions are imposed from outside the organization, usually by the contributor of the resources. Restrictions on contributions may only be externally imposed.

B) Revenue Recognition

Operating grants are recognized as revenue in the period received or receivable. Revenues received for tuition fees and sales of goods and services are recognized in the period in which the goods are received or the services rendered or substantially rendered.

Deferred contributions are externally restricted non-capital and non-endowment contributions which are deferred and are recognized as revenue in the period in which the related expenses are incurred.

Debt owing to the Province of Manitoba is reflected as deferred capital contributions in the statement of financial position. The related revenue earned from the Council on Post Secondary Education to offset the interest expense and the interest expense are both excluded from the statement of operations and changes in fund balances.

Externally restricted contributions for the acquisitions of capital assets having limited lives are recorded as deferred capital contributions in the period in which they are received. Amortization of deferred capital contributions is recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

Endowment contributions are recorded as direct increases in net assets in the period in which they are received.

C) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid temporary money market instruments convertible to cash within three months or less. Bank borrowings are considered to be financing activities.

D) Investments

Investments are recorded at fair value with the exception of a donated equity investment in certain properties, which is recorded at estimated fair value on the date received and designated as available for sale.

E) Inventories

Bookstore and Printing inventories are valued at the lower of cost or net realizable value.

F) Capital Assets

Capital assets and collections purchased by the University are recorded at cost. Collections include Art Work and Rare Books recorded at fair value derived by independent appraisal at the time of acquisition or donation. Donated assets are recorded at estimated fair market value on the date received. Land, collections of rare books and works of art are not amortized. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings, Additions and Improvements	60 years
Leasehold Improvements	Term of Lease
Library Acquisitions	10 years
Furnishings and Equipment	10 years
Major System Computer Software	10 years
Computer Equipment and Software	5 years
Vehicles	5 years
Equipment under Capital Lease	Term of Lease

G) Use of Estimates

In preparing the University's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

H) Principles of Consolidation

The consolidated financial statements of the University include the accounts of the University of Winnipeg Education Housing Corporation (UWEHC), a wholly owned entity. UWEHC secures and provides affordable residential accommodation for the benefit of persons enrolled at the University. The University of Winnipeg Foundation (the Foundation) (Note 17) and the University of Winnipeg Community Renewal Corporation (UWCRC) (Note 18), both controlled entities, are not consolidated in these financial statements.

l) Future Accounting Changes

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535 – *Capital Disclosures*, Handbook Section 3862 – *Financial Instruments – Disclosures* and Handbook Section 3863 – *Financial Instruments – Presentation*. These new standards apply to the University effective April 1, 2008.

Section 1535 specifies the disclosure of: (i) an entity's objectives, policies and procedures and process for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Sections 3862 and 3863 replace Handbook Section 3861 – *Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

In addition, the CICA issued a new accounting standard, Handbook Section 3031 – *Inventories*, that replaces Handbook Section 3030. This new section provides guidance as to costs that can be included in inventories and requires that inventories be measured at the lower of cost and net realizable value.

The University is currently assessing the impact that these new standards will have on its financial statements for the year ending March 31, 2009.

3. Change in Accounting Policy:

The organization adopted the new CICA Handbook Section 3855 – *Financial Instruments – Recognition and Measurement* on April 1, 2007. This standard provides guidance on recognizing financial instruments and non-financial derivatives on the statement of financial position. The standard also specifies how financial instrument gains and losses are presented. Initially, all financial assets and liabilities must be recorded on the statement of financial position at fair value. Subsequent measurement is determined by the classification of each financial asset and liability. Under this standard, all financial instruments are classified as one of: (a) held-for-trading; (b) loans and receivables: (c) held-to-maturity; (d) available-for-sale or (e) other liabilities. Financial assets and liabilities classified as held-for-trading are measured at fair value with gains and losses recognized in the Statement of Operations. Financial instruments classified as held-to-maturity, loans and receivables and other liabilities are measured at amortized cost. Available-for-sale financial instruments are measured at fair value, with unrealized gains and losses recognized directly in unrestricted net assets.

Upon adoption of this new standard, cash and cash equivalents were designated as held-for-trading; accounts receivable and due from related parties as loans and receivables; accounts payable and accrued liabilities, accrued vacation pay, due to related party and long term liabilities as other liabilities.

Long term investments are designated as available for sale as they are comprised of investments that are not held for the purpose of earning short term income and investments that relate to an equity investment for which fair value information is not readily available.

The University does not have any held-to-maturity instruments.

Except for held-for trading designated financial instruments, transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities are accounted for as part of the respective asset or liability's carrying value at inception and amortized over the expected life of the financial instrument using the effective interest method. For held-for trading financial assets and liabilities, transaction costs are recorded in the statement of operations as incurred.

The adoption of the standard on April 1, 2007 had no material impact on net assets.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	2008 $000	2007 $000
Operating Funds	$5,295	$10,229
Sponsored Research and Designated Funds	2,675	2,561
	7,970	12,790
Special Purpose and Trust Funds	4,821	5,987
	$12,791	$18,777

Trust funds are restricted funds held for deferred contributions - $2,148 (2007 - $2,870) and endowments - $1,118 (2007 - $1,118). Special purpose funds are comprised of internally restricted net assets - $479 (2007 - $661), due to operating - $673 (2007 - $1,252) and due to related party - $403 (2007 - $86).

5. Long Term Investments

Long term investments are comprised of endowment funds (Note 14):

	2008 $000	2007 $000
Fixed Term Instruments	$600	$600
Investment Shares	50	50
Equity investment in properties	916	916
	$1,566	$1,566

Long term investments are recorded at fair value with the exception of the equity investment in properties of which market information is not readily available.

6. Capital Assets

	2008			2007
	Cost $000	Accumulated Amortization $000	Net Book Value $000	Net Book Value $000
Land	$8,060	$0	$8,060	$2,211
Buildings, Additions and Improvements	66,318	19,649	46,669	42,407
Library Acquisitions	12,879	10,853	2,026	1,905
Furnishings and Equipment	27,698	21,240	6,458	5,964
Collections	1,239	0	1,239	1,221
Buildings Under Construction	11,443	0	11,443	2,159
Equipment Under Capital Lease	719	204	515	533
	$128,356	$51,946	$76,410	$56,400

Furnishings and Equipment include Vehicles, Major System Computer Software and Computer Equipment and Software.

7. Deferred Contributions

Deferred contributions represent contributions received for special purposes such as Sponsored Research and Designated Funds and Special Purpose Trust consisting of scholarships and bursaries, library acquisitions and lecture funds.

	2008 $000	2007 $000
Balance, Beginning of Year	$5,702	$5,033
Contributions Received	7,078	7,555
Contributions Expended	(5,507)	(6,119)
Transferred to Foundation	(1,923)	(767)
Balance, End of Year	$5,350	$5,702
Balance Consists of:		
Sponsored Research and Designated Funds	$3,052	$2,832
Special Purpose Trust	2,148	2,870
Operating Funds	150	0
	$5,350	$5,702

8. Staff Benefits

The balance of staff benefits is comprised of accrued vacation pay of $1,496 (2007 - $1,382).

9. Bank Indebtedness

The University has an operating line of credit with a bank authorized in the amount of $1,250. The line of credit is unsecured and bears interest at prime. It was not utilized at March 31, 2008 or March 31, 2007.

10. Obligations under Capital Leases

The following is a schedule of future minimum lease payments under capital leases expiring between June 1, 2011 and March 1, 2013 together with the balances of the obligations under capital leases:

	$000
2008/09	$160
2009/10	160
2010/11	160
2011/12	80
2012/13	14
Total minimum lease payments	574
Less amount representing interest at approximately 3.5%	(46)
Balance of obligations	528
Less: Current Portion	(142)
Obligations under Capital Leases	$386

Interest expense for the current year on the lease obligations amounted to $23 (2007 - $13).

11. Long Term Liabilities

	2008 $000	2007 $000
Promissory Notes	$4,488	$792
Mortgage Payable	174	204
UWEHC Mortgages Payable	564	589
Supplementary Pensions Payable	546	630
	5,772	2,215
Less: Current Portion	(1,129)	(801)
	$4,643	$1,414

The promissory notes represent unsecured loans from the Province of Manitoba. The loans were used to finance the properties listed below:

	2008 $000	2007 $000
509 Ellice and 433 Young Street Interest rate 4.45%, due April 15, 2015	$694	$792
CanWest Centre for Theatre and Film Interest rate 4.00%, due March 31, 2011	1,800	0
Duckworth Athletic Complex Expansion Interest rate 5.55%, due October 31, 2047	1,994	0
	$4,488	$ 792

Annual principal payments on the notes during the next five years are: 2009 - $712; 2010 - $713; 2011 - $715; 2012 - $115; 2013 - $116.

The mortgage payable, secured by Graham Hall, is payable to Canada Mortgage and Housing at 5 3/8% due October 1, 2012. The Council on Post-Secondary Education annual operating grant provides for the $40 annual mortgage payment. Principal payments on this mortgage during the next five years are: 2009 - $31; 2010 - $33; 2011 - $35; 2012 - $37; 2013 - $38.

UWEHC mortgages are secured by Balmoral Street and Spence Street properties and are payable to the Assiniboine Credit Union. The mortgage payable on the Balmoral Street properties is a variable term mortgage and has a floating interest rate at prime. The four individual mortgages payable on the Spence Street properties are due April 1, 2012 and have an interest rate of 6.55%. Principal payments on these mortgages during the next five years are: 2009 - $302; 2010 - $13; 2011 - $14; 2012 - $15 2013 - $220.

Supplementary pensions payable represents payments to past Presidents for services performed and are based on an actuarial calculation. The amount due in 2009 is $84.

Interest paid during the year on long term liabilities totalled $126 (2007 - $89).

12. Deferred Capital Contributions

Deferred capital contributions represent unamortized external contributions related to the purchase of capital assets in the amount of $59,739 (2007 - $43,713) and funds held for future capital project expenditures in the amount of $309 (2007 - $4,508). The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations.

	2008 $000	2007 $000
Balance, Beginning of Year	$48,221	$40,936
Contributions Received	9,386	1,228
Contributions from University of Winnipeg Foundation Specified Fund	4,106	7,696
Mortgage Principal Contributions	30	29
Amortization of Deferred Capital Contributions	(1,695)	(1,668)
Balance, End of Year	$60,048	$48,221

13. Internally Restricted Net Assets

Internally restricted net assets balance at March 31, 2008 is $751 (2007 - $1,395). It consists of cumulative net unrestricted trust income of $479 (2007 - $660) and strategic provisions of $272 (2007 - $735).

The cumulative net unrestricted trust income of $479 is available to fund Board of Regents scholarships.

The strategic provisions additions represent an appropriation from unrestricted net assets to internally restricted assets. This transfer is made to provide for future funding support of initiatives within the Strategic Plan and the Academic Plan. Actual expenditures related to strategic provisions are charged to operations with a corresponding transfer of funds from internally restricted (see Statement III).

The strategic provisions provide for:

	March 31, 2007 $000	Reductions $000	March 31, 2008 $000
Infrastructure			
Student Information System	384	(384)	0
Academic Equipment	100	0	100
Building Renovations	53	(2)	51
Strategic Development			
Internal Research Grants	69	(10)	59
Project Development	129	(67)	62
	$ 735	($ 463)	$ 272

14. Net Assets Restricted for Endowment Purposes

Endowments consist of externally restricted contributions where the principal donation is required to be maintained in perpetuity. The investment income generated from endowments must be used in accordance with the various purposes established by the donors.

Endowments are comprised of long-term investments of $1,566 – Note 5 (2007 - $1,566) and short-term investments of $1,118 (2007 – $1,118).

Endowments of $2,034 are held in trust in accordance with the terms of a certain bequest. In 2008, the University has a 10% share in the income distribution from this trust (2007 – 10% share).

15. University of Winnipeg Pension Plan (the Plan)

The Plan was established as a contributory defined benefit pension plan at September 1, 1972. The Plan is registered under the Income Tax Act and the Manitoba Pension Benefits Act (Registration #309914). A Trust Company holds the assets under a Trust Agreement and provides daily administration of the Plan. Professional investment managers administer the portfolio. A Pension Committee of the Board of Regents of the University was responsible for overseeing the administration of the Plan, monitoring investments and making policy recommendations to the Board until March 25, 2008, when the University and the Stakeholders signed a series of agreements including a Transition Agreement and a Trust Agreement, to transfer the administration of the Plan from the University to an independent Board of Trustees, which will become fully effective July 7, 2008, unless objections are raised by the Canada Revenue Agency or the Manitoba Pension Commission in the intervening period of time. Until then, the University continues as the administrator of the Plan, although the new Board of Trustees, for all intents and purposes, has assumed that responsibility.

The Plan covers all eligible employees of the University, except those who are members of the United Church of Canada Pension Plan. Permanent academic employees join the Plan on their date of employment. Permanent non-academic employees may elect to join on their date of employment but must join on their first anniversary date of employment. The defined benefit side of the Plan is now closed, and all new employees must now participate in the defined contribution side of the Plan.

At December 31, 2007 the fair value of the Plan's net assets was $135,044 (2006 - $139,797). Under the Plan, contributions are made by Plan members, which are matched by the University for the defined contribution members; for defined benefit members, an additional 1% is paid by the University. A member who receives benefits from the long-term disability plan of the University is not required to contribute to the Plan. The annual pension payable to a defined benefit member on retirement is based on the member's final average earnings and years of credited service.

In accordance with the Canadian Institute of Chartered Accountants (CICA) accounting standard for Employee Future Benefits, Section 3461 of the CICA Handbook – Accounting, the University uses a three-month accelerated measurement date for financial reporting purposes. As a result, with respect to the defined benefit segment of the Plan, the reported value of the plan assets and plan obligations as at December 31, 2007 are $116,485 and $124,184 respectively. The corresponding values for the plan assets and plan obligations projected to the fiscal year-end, March 31, 2008 are $113,989 and $124,625 respectively.

The University, by resolution of the Board of Regents on December 4, 2000, approved in principle Plan amendment #2001/1 that provided for an initial distribution of a surplus then existing equally to Plan members and the University, a further sharing of the remaining surplus to Plan members and the University, and the establishment of a Board of Trustees to operate the Plan at arm's length from the University. Subsequently, investment market conditions led to circumstances where the final distribution to Plan members and the University was not able to proceed.

Defined Contribution Obligation

The obligation for pension benefits under the defined contribution segment of the Plan will always be equal to the net assets in each member's account. Therefore, no surplus or deficiency arises from fluctuations in the investment market.

The defined contribution segment of the Plan consists of:

	December 31 2007 $000	December 31 2006 $000
Balance, Beginning of Year	$16,561	$13,681
Contributions	2,110	1,870
Refunds and transfers *	(486)	(846)
Net Investment Return *	375	1,856
Balance, End of Year	$18,560	$16,561

* The amounts at December 31, 2006, have been reclassified to reflect the investment return net of all expenses. The amounts shown for Refunds and transfers no longer include Plan expenses.

Defined Benefit Obligation

In accordance with the Pension Benefits Act, an actuarial valuation of the defined benefit segment of the Plan is required at least every 3 years. An actuarial valuation of the Plan was prepared effective December 31, 2007 by Eckler Ltd., a firm of consulting actuaries.

The benefit obligation has been calculated pursuant to CICA Handbook 3461, using a prescribed market-related discount rate. This approach differs from the calculation of the benefit obligation in the Pension Plan financial statements which uses a discount rate based on the expected long-term rate of return consistent with the investment policy of the fund and determined in accordance with accepted actuarial practice.

The financial information is based on the financial position of the Defined Benefit Pension Plan as of December 31, 2007, the "measurement date" and for the purpose of financial statements, the in-year pension expense (and the calculation of the valuation allowance in particular) reflects the employer contributions to the Plan during the three-month period ending March 31, 2008.

Change in Defined Benefit Obligation	December 31 2007 $000	December 31 2006 $000
Benefit Obligation, January 1	$125,951	$123,114
Current Service Cost	2,816	2,922
Interest Cost	6,138	6,056
Benefits and Refunds Paid	(9,199)	(6,930)
Actuarial Loss (Gain)	(1,522)	789
Benefit Obligation, December 31	$124,184	$125,951

Change in Plan Assets

	December 31 2007 $000	December 31 2006 $000
Fair Value of Plan Assets, January 1	$123,236	$113,374
Actual Return on Plan Assets, Net of Expenses	(235)	14,072
Employer Contributions	1,748	1,750
Employee Contributions	935	970
Benefits and Refunds Paid	(9,199)	(6,930)
Fair Value of Plan Assets, December 31	$116,485	$123,236

Reconciliation of Accrued Benefit Asset

	March 31 2008 $000	March 31 2007 $000
Accrued Benefit Asset (Obligation)	($7,699)	($2,715)
Employer Contributions After December 31	423	288
Unamortized Transitional Asset	(3,188)	(3,644)
Unamortized Net Actuarial Loss	11,160	6,448
Accrued Benefit Asset, Before Valuation Allowance	696	377
Valuation Allowance	(696)	(377)
Accrued Benefit Asset, Net of Valuation Allowance	$ 0	$ 0

Components of Pension Expense

	December 31 2007 $000	December 31 2006 $000
Employer Share of Current Service Cost	$1,881	$1,952
Interest Cost	6,138	6,056
Expected Return on Plan Assets	(5,999)	(5,563)
Amortization of Transitional Asset	(456)	(456)
Amortization of Actuarial Loss	0	186
Increase (Decrease) in Valuation Allowance	319	(434)
Net Pension Expense	$1,883	$1,741

Significant actuarial assumptions used in the determination of the 2007 pension expense were:

Discount Rate	- pre and post-retirement	5.00%
Rate of salary increase	- 2007	4.00%
	- thereafter	4.00%

Significant actuarial assumptions used in the determination of the defined benefit obligation at December 31, 2007 were:

Discount Rate	- pre and post-retirement	5.35%
Rate of salary increase	- 2008 and 2009	2.50%
	- thereafter	4.00%

In accordance with CICA Handbook Section 3461, as the amortization of the pension expense is less than 10% of the benefit obligation it is not recorded in the financial statements.

Funding Obligation

In the event that the actuarial valuation of the Plan determines that the Plan is not fully funded, the University is responsible for providing adequate funding levels in accordance with the *Pension Benefits Act of Manitoba*.

The actuarial valuation at December 31, 2007 reported that the defined benefit segment of the Plan has a solvency deficiency of $20,665.

The University would normally be required under the *Pension Benefits Act* to make additional contributions to amortize the solvency deficiency over a five year period. However, the Provincial Government has provided universities in Manitoba with an opportunity to be permanently exempted from the usual solvency funding requirements, while the Plan continues on a going-concern basis. The University Pension Plan's exemption regulation (regulation 141/2007) was registered October 15, 2007. The University has complied with all requirements to be entitled to the permanent exemption.

As part of the discussions with government in the period leading up to the exemption regulation, it was contemplated that the annual funding requirement for the going-concern deficiency revealed in the 2004 valuation be continued until that deficiency is eliminated. The going-concern deficiency at December 31, 2004 was $3,746 and the annual funding payments were $386. While the remaining going-concern deficiency has declined to $2,384 at December 31, 2007, the University will continue to make annual contributions of $386 until the deficiency is eliminated.

In addition, because of the going-concern deficiency at December 31, 2007, the University is required to make additional contributions of $304 in 2008, $295 in 2009, $291 in 2010 to cover the current service shortfall.

During 2005, amendments were made to the *Pension Benefits Act* which will affect the benefits payable from the Plan. These amendments have yet to be proclaimed and the corresponding regulations have yet to be published but, based on a preliminary interpretation, the Plan's Actuary has estimated that these changes will add approximately $1,100 to the actuarial present value of accrued benefits at December 31, 2004 and would have increased the annual special funding payments by approximately $110 per year at that time. The 2005 amendments have not yet come into effect. The longer the effective date is delayed; the financial impact will tend to decline as active members retire.

16. Commitments

The University has operating lease obligations that cover equipment and building space integral to the University's operations. The lease obligations expire at various dates up to and including December 31, 2017. In addition, the University has entered into a number of contracts to complete capital additions and renovations on campus properties during the upcoming year. The above contracts require annual payments over the next 5 years and thereafter as follows:

	$000
2008/09	$6,927
2009/10	1,423
2010/11	1,059
2011/12	926
2012/13	951
Thereafter	4,141
	$15,427

17. The University of Winnipeg Foundation

The University's Board of Regents approved the establishment of the University of Winnipeg Foundation in March 2003. The Foundation's vision is to strengthen, deepen and advance the University's mission through the creation of a long-term income stream.

The establishment of the Foundation is based upon mutually binding agreements between the University and the Foundation that provide for the administration of the specified fund, the basis of operation and the relationship between the University and the Foundation, the transfer of endowment funds and the provision of support services by the University to the Foundation.

The agreements with The University of Winnipeg Foundation are as follows:

(a) Coordination, Cooperation and Funding Agreement

The University and the Foundation have jointly agreed that all future fund raising activities directed to the general public shall generally be conducted by the Foundation. However, certain fund raising activities, such as the Wesmen Booster Club and direct gifts to libraries, will continue on an agency basis through the University.

During 2006-2007 budget discussions and as approved by the University's Board of Regents and the Foundation's Board of Directors, the University agreed to increase the annual operating grant to the Foundation to $575 per year. This increase in the operating grant compensates for the declining Specified Fund interest income previously available to the Foundation to assist in funding its operations. However, no formal agreement has been signed to reflect this change.

(b) Occupancy and Support Agreement

This Agreement documents the basis upon which the Foundation occupied space in Wesley Hall and elsewhere on Campus and the Foundation's use of certain existing systems, programs and personnel of the University. The Foundation has agreed to pay the University a fee of $45 per annum for occupancy and support services. The Agreement is effective for an initial term ending March 31, 2004 with an option for automatic renewal for a subsequent 5 year term thereafter.

Based on discussions in June 2006, and the approval of the University's Board of Regents, the University has agreed to waive the occupancy and support costs of $45 per year, relating to modern, occupancy space on the 7th floor of 491 Portage Avenue, for the remaining two years of the agreement commencing April 1, 2007.

(c) Specified Fund Agreement

This Agreement provides for the transfer of the $14,000 Government of Manitoba capital contribution from the University to the Foundation. The Agreement contemplates the disbursement of $14,000 to the University on a scheduled basis, which coincides with proposed capital projects under the Campus Development Plan, including Wesley Hall. The Foundation is entitled to retain any interest/appreciation in capital achieved during the time the Foundation holds the funds.

(d) Endowment Fund Agreement

The University and the Foundation entered into an Agreement that provided for the transfer of existing endowment funds from the University to the Foundation, with an effective date of April 1, 2004.

This Agreement states that the Foundation will assume responsibility for the Endowment Fund effective April 1, 2004. In accordance with the Endowment Agreement, the Foundation has a commitment to provide the University with an amount equal to the agreed percentage multiplied by the current year's beginning balance of the contributed capital. The agreed percentage is established by the Foundation and the University between September and December of each year.

The University and the Foundation have agreed that the amount will be determined by applying the agreed percentage (4.05% for 2007-2008) to the prior year beginning balance of the contributed capital plus a pro-rated percentage of the agreed percentage for those gifts received in each quarter of the previous year. (ie. ¾ of 4.05% for those gifts received in the first quarter, ½ of 4.05% in the second quarter and ¼ of 4.05% for those gifts received in the third quarter). Based on this formula, the Foundation provided the University with $1,000 in 2007-2008.

The Foundation is entitled to an annual administration fee equal to ½ of 1% of the Endowment Fund capital of the previous year (or such other higher percentage as the University may agree to from time to time). On November 29, 2004, the University agreed to increase this fee to 2% retroactive to April 1, 2004 for a four-year period, ending March 31, 2008. On April 24, 2008, the University confirmed its continued support of the Foundation by providing that the Foundation may continue to retain an annual administration fee of 2% each year for the duration of the Capital Campaign.

The financial information of the Foundation is not consolidated in the University's financial statements and is provided within this note and note 20 on Related Party Transactions and Balances. The Foundation is a controlled entity of the University based upon the following factors:

i) The University has representation on the Foundation's Board of Directors and has the authority to approve members at its discretion.

ii) The University has a significant economic interest in the Foundation which conducts its activities for the exclusive benefit of the University.

iii) The Foundation requires the University's consent to amend its by-laws.

iv) The objectives of the Foundation and the University have the common purpose to strengthen, deepen and advance the University's mission.

Financial Position:

The Foundation follows the restricted fund method of accounting for contributions. The Foundation maintains separate funds within its assets and follows the principles of fund accounting to record the day to day transactions.

The financial position of the Foundation at March 31 is summarized as follows:

	2008 $000	2007 $000
Statement of Financial Position:		
Assets	$39,200	$41,994
Liabilities	726	1,813
Fund Balances:		
Operating Fund	109	585
Unrestricted Fund	10	14
Investment in Capital Assets	48	52
Building and Program Fund	5,171	4,303
Funds Held Pending Terms of Reference	57	60
Specified Fund	59	2,465
Unrestricted Bequests	254	0
Endowment Fund	32,766	32,702
	38,474	40,181
	$39,200	$41,994
Statement of Operations		
Sources of Funds:		
Transfer from University of Winnipeg	$927	$5,090
Investment Income	2,867	2,418
Unrealized (Loss) Gain on Investments	(3,247)	880
University of Winnipeg Support Funding	575	575
Endowment Administration Fee	584	549
Annual Donations	5,334	7,169
	7,040	16,681
Uses of Funds:		
Capital Programs	2,406	7,609
Endowment - Gifts to the University	1,000	953
Endowment - Administration Fee	584	549
Endowment - Administration Expenses	99	92
Operations	1,564	1,107
Donations Gifted to the University of Winnipeg	3,095	1,550
	8,748	11,860
Increase (Decrease) in Funds Prior to Change in Accounting Policy and Restatement of Prior Period	(1,708)	4,821
Change in Accounting Policy	0	1,028
Restatement of Prior Period	0	955
Increase (Decrease) in Funds	($1,708)	$6,804

The financial information of the Foundation, shown above, reflects the adoption of two new CICA Handbook sections on financial instruments (section 3855 and section 3861). As of March 31, 2007, these sections were applied retroactively without restatement of comparative financial information. As a result of the adoption, the Foundation recorded a non-cash credit of $1,028 in the endowment fund.

Restrictions are placed upon expenditures within Funds including:

i) The Operating Fund reflects the administrative and overhead costs of undertaking the Foundation's activities.

ii) The Unrestricted Fund records the receipt of donations received in the year that are identified by the donor to go to the area of greatest need.

iii) The Building and Program Fund is specifically intended to record the receipt of all donations intended for University programs and capital projects.

iv) The Specified Fund consists of the initial funding of $14,000 transferred to the Foundation from the University, pursuant to the "Specified Fund Agreement".

v) The Funds held pending Terms of Reference includes donations received for capital gifts, endowment gifts, and other restricted purposes not yet allocated pending donor wishes.

vi) The Endowment Fund reports the receipt of funds established from gifts by donors, which are designated to remain under the Foundation's management in perpetuity for endowment purposes.

In the Coordination Cooperation and Funding Agreement, the University has agreed to provide the Foundation with a $300 per annum operating grant, reducing by $30 per annum commencing in 2010-2011. This funding commitment will end in 2013-2014.

The University is required to make annual payments over the next 5 years and thereafter as follows:

	$000
2008/09	575
2009/10	300
2010/11	270
2011/12	240
2012/13	210
Thereafter	180
	$1,775

During the budget process in 2007-2008, the University agreed to increase the operating grant from $300 to $575 per annum on a year-to-year basis, subject to the approval of the Board of Regents. However, no formal agreement has been signed to reflect this change.

18. University of Winnipeg Community Renewal Corporation

The University of Winnipeg Community Renewal Corporation ("UWCRC") was incorporated by Articles of Incorporation, without share capital, on April 6, 2005, as a controlled entity of the University. UWCRC's mandate is to support the University by developing a sustainable university community that promotes the attractiveness of the University to its faculty, staff, students, and the greater community. As part of its mandate, UWCRC will manage projects on behalf of the University, including but not limited to, the development of a comprehensive Campus and Community Development Plan, the assessment of particular development projects and the development of partnerships with community, private and public sector organizations.

During the year, UWCRC provided consulting services (in accordance to agreements entered into) to the University in connection with the following:

a) To assist the University with the design and development of the Science Building Complex on the basis of a per diem fee of $1.

b) To undertake the design and development of the Duckworth Building Complex on behalf of the University based on a performance based fixed price contract. The amount of the consulting fee for services rendered is $212.

c) To manage the University's Student Housing assets and all aspects of the Student Housing Program for a fixed annual fee of $250. In return, the UWCRC contracted back to the University for delivery of the Student Life aspects of the Student Housing Program, which continues to be managed by the University's Student Life Services Department, for a fixed annual fee of $175.

UWCRC holds a 25% investment in the land and building situated at 491 Portage Avenue ("Property") in Winnipeg, Manitoba. It does so by owning all of the shares of 4332181 Manitoba Ltd., which owns 25% of the property and shares of 4306946 Manitoba Ltd. The latter entity holds title to the Property as bare trustee for its shareholders. The Property is a commercial complex comprising an office building, retail stores, a bus depot and a parkade adjacent to the University's main Campus. The University is leasing office space in the Property.

UWCRC records its 25% investment in the Property on an equity basis as a result of significant influence.

As one of the conditions to obtaining financing for the Property, the financing company required that the University take responsibility for assuring that the debt service coverage ratio on the Property did not go below 1.0:1.0; (that is, that the Property would always generate $1.00 in revenue from its tenants for each $1.00 the owners of the Property are required to pay to its lender). If for any reason the Property fell below that ratio, the University would be required to lease space in the property at normal commercial rents, or assure that another tenant is obtained, such that the additional revenue would bring the debt service coverage ratio back to 1.0:1.0.

The financial position of UWCRC at March 31 is summarized as follows:

	2008 $000	2007 $000
Statement of Financial Position:		
Assets:		
Cash	$198	$105
Investment, at Equity	900	762
Other	89	7
	$1,187	$ 874
Liabilities and Net Assets:		
Accounts Payable and Accrued Liabilities	$41	$25
Due to University of Winnipeg (Note 20)	78	102
Net Assets	1,068	747
	$1,187	$ 874

	2008 $000	2007 $000
Statement of Operations and Changes in Net Assets:		
Revenue		
Operating Grants	$25	$100
Share of Equity Income	221	0
Consulting	450	311
Net Property Income	69	25
Other	68	58
	833	494
Expenses	512	431
Excess of Revenue over Expenses	321	63
Net Assets – Beginning of Year	747	624
	1,068	687
Net Assets on Acquisition	0	60
Net Assets – End of Year	$1,068	$ 747

19. Contingencies

a) The University is named as a defendant in litigations where legal action has commenced or is anticipated. While the ultimate outcomes of these proceedings cannot be predicted at this time, management and its legal counsel are of the opinion that, either the outcomes will not have a material effect on the financial position of the University, or the outcomes are not determinable. No provision has been made in the financial statements in respect of these claims, as of March 31, 2008.

b) On December 8, 2006, the Superintendent of Pensions of Manitoba issued an Order requiring the University to develop and implement a written governance framework, and pay a lump sum amount of $6,454, plus interest net of adjustments of approximately $1,644, into the Plan, for the benefit of defined benefit members, in relation to the undistributed portion of their proportionate share of the Plan's surplus, as determined by the Plan Actuary in 1999, which surplus later ceased to exist, as a result of the market downturn in the Fall/Winter of 2001/02.

The University appealed the Superintendent's decision to the Manitoba Pension Commission, and the Commission's decision was made on April 23, 2008. The decision upheld the Superintendent's order, and the University intends to further appeal to the Manitoba Court of Appeal. The appeal is likely to be heard during the Winter of 2009, and the decision of the Court of Appeal will, in all likelihood, be final. No payment, pursuant to the Order has been made, and no provision has been made for such future payment in the financial statements of the University as the outcome of the appeal is undeterminable.

20. Related Party Transactions and Balances

The University of Winnipeg Foundation (Foundation) and the University of Winnipeg Community Renewal Corporation (UWCRC) are controlled entities of the University. The University of Winnipeg Pension Plan is also a related party.

The University charges benefit administration costs to the Pension Plan. The charge for 2007-2008 was $56 (2006-2007 - $55). In addition, the University incurred a pension expense of $2,827 (2007 - $2,713) that is paid to the Pension Plan. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ending March 31, the University incurred transactions as follows:

		2008 $000	2007 $000
From the University to the Foundation:			
i)	Operating grant	$575	$575
ii)	Gifts for endowment	$1,004	$818
iii)	Transfer of Science Complex funding	$0	$5,000
iv)	Transfer of income allocation	$920	$0
From the Foundation to the University:			
i)	Transfer of specified funds	$2,417	$2,724
ii)	Transfer of annual donations	$3,095	$1,425
iii)	Income allocation	$1,000	$953
iv)	Transfer of Science Complex funding	$0	$5,000
From the University to UWCRC			
i)	Consulting fees	$475	$309
From UWCRC to the University			
i)	Management fees	$176	$102

These transactions are recorded at the exchange amount which is the amount established and agreed to by the related parties.

As a result of a difference in the interpretation of the Endowment Fund Agreement, specifically regarding the calculation of the income allocation, the amount transferred was $920 plus interest of $76. The effect of this refund on the University's financial statements is a reduction in deferred contributions.

At the end of the year, the amounts due to and from related parties are as follows:

	2008 $000	2007 $000
Due from Related Parties		
Specified Fund – Foundation	$52	$1,084
Operating – UWCRC	83	139
	135	1,223
Due to Related Party		
Operating – Foundation	301	179
	$ 301	$ 179

21. Financial Instruments

a) Fair value

The carrying amounts of short term financial assets and liabilities approximate their fair values due to the short term maturity of these instruments. Short term financial assets are comprised of cash and cash equivalents and accounts receivable. Short term financial liabilities are comprised of accounts payable and accrued liabilities. The fair value of obligations under capital leases and long term liabilities also approximate their carrying value as the rates are consistent with market rates. The fixed term instruments included in long term investments are recorded at fair value based on period end quoted market prices. The fair value of the properties included in long term investments is not determinable as it is not readily available. The fair value of the investment shares shown in long term investments are not determinable as these shares are not publicly traded and no market price is readily available.

b) Credit Risk

The University is subject to credit risk through receivables. Receivables are with numerous organizations and individuals which reduces the concentration of credit risk. Reviews are made of the credit worthiness of accounts and reserves established as required.

c) **Interest Rate and Foreign Exchange Risk**

Interest rates, maturities and security affect the interest rate risk of certain of the University's financial assets and liabilities.

The University is subject to foreign exchange risk because a portion of its financial instruments are denominated in foreign currencies.

The financial risk is the risk to the University's earnings that arises from fluctuations in interest rates and foreign exchange rates and the degree of volatility of these rates. The University does not use derivative instruments to reduce its exposure to interest rate and foreign exchange risk.

22. Reclassification of Comparative Figures

Certain 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2008.

23. Richardson College for the Environment & Science Complex

The University has commenced the development and design of the Richardson College for the Environment and Science Complex to be completed in September 2010. The University signed a Definitive Agreement with Laureate Developments Inc. (the Developer) to assemble and transfer lands to the University that will become the site for the University's Science Complex, develop and build the Science Building Complex for the University on a turnkey basis and assist the University in attracting partners to the project for the purposes of fund-raising.

The University has received a commitment from the Provincial Government to provide funding of $25,000 to contribute to the funding of the Science Building Complex. The University has received payments of $5,000 and $5,311 from the Provincial Government. The advances have been recorded as deferred capital contributions. The advances are secured by promissory notes payable to the Province of Manitoba in the amount of $5,000 and $5,311 bearing interest at 5.15% and 5.80% respectively. The notes are repayable over a term of 40 years with funding from the Province of Manitoba.

The first $10,311 has been unconditionally advanced to the University. The remaining $14,689 will be advanced to the University on the basis of $1.00 advance for every $2.00 raised on the University of Winnipeg Foundation's Capital Campaign.